

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

FCC MAIL SECTION

COMMUNICATIONS
FILE

APR 27 8 20 AM '92

RECEIVED

In the Matter of)
)
Review of Commission Commercial FM) RM-7933
Allotment and Licensing Policy)

RECEIVED

APR 27 1992

COMMENTS OF
CAPITOL BROADCASTING CORPORATION, INC.

Federal Communications Commission
Office of the Secretary

By these comments, Capitol Broadcasting Corporation, Inc. wishes to support the Petition for Rulemaking filed February 10, 1992 by the National Association of Broadcasters for a review by the Commission of its rules and policies governing the commercial FM radio service.

Capitol Broadcasting Corporation, Inc. is licensee of Radio Stations W K X L, a Class IV facility located in Concord, New Hampshire, and W K X L-FM, a Class A facility also located in Concord, New Hampshire. Capitol Broadcasting Corporation, Inc. is a business whose sole function is the ownership and operation of these two commercial radio stations, and its stock is owned 100% by six fulltime employees of these radio stations, each of whom has worked at the stations for minimum of twenty years. Its President, and the General Manager of the radio stations, Richard W. Osborne, is an elected member of the Radio Board of Directors of

No. of Copies rec'd 0+10
List A B C D E

the National Association of Broadcasters and is Chairman of its Regulatory Review Committee.

By a report of its own Policy and Rules Division of the Mass Media Bureau entitled "Overview of the Radio Industry," dated January, 1992, the Commission is aware of the critical condition of the radio industry today, and of the explosion in the number of FM stations, especially over the past fifteen years, and of the declining advertising revenues per station and the increasing disparity in profitability between large and small stations. Various other studies have documented these trends and facts (such as the National Association of Broadcasters' "National Radio Listening Study" of November, 1988, and its "FM Station Financial Picture" of February, 1991).

While the explosive increase in the number of FM commercial stations has taken place in recent years, especially through the implementation of the Commission's Docket 80-90, most of those new stations have been allotted and licensed to very small markets, small markets, and to some extent, medium markets. In our opinion, this geometric increase in the number of stations in smaller markets, such as ours, is directly related to the fact that stations in smaller markets have great difficulty in maintaining profitability.

The question in connection with this Docket and Petition for Rulemaking, it seems to us, is where the public interest lies, and we strongly believe it lies in maintaining the viability of a reasonable number of stations serving small communities all across this nation. That, in our opinion, is a higher public interest issue than simply responding to a "marketplace philosophy" that would allow as many stations as technology allows to be allotted and licensed.

The fact is simply that there are too many radio stations on the air, or issued construction permits as of today, April 13, 1992, to maintain the economic vitality of the industry, and that if the increase in the number of stations is not stemmed, the public will in fact have its interest ill-served by financially-forced cutbacks in personnel and programming to respond to local issues, problems and needs.

We also support the technical reasons stated in the National Association of Broadcasters' Petition for Rulemaking in this Docket. The increase in the number of FM stations on the air, coupled with the increasing public demand for quality audio service, means that the FM medium is threatened with becoming unacceptable in the marketplace.

Over the many years in our small market (Concord, New Hampshire has a population of approximately 36,000), we have proudly accomplished much to serve our community, receiving many state and even national awards for our programming. However, since 1989, the peak year of our

generation of advertising revenues, we have seen a steady decline in annual revenues. This in turn has forced cutbacks in personnel, from a peak fulltime employment of twenty-one (21) people to a current employment of ten (10) employees, six (6) of whom are stockholders representing 100% of the ownership of our corporation. At the same time, each of those remaining fulltime employees, as well as all of our parttime employees, has endured two-ten percent across-the-board pay cuts. Through all of this, and through the dedication of our employees, we are still able to express pride in the level of programming service we provide to our community. At the same time, everyone here recognizes that it is impossible to ask for greater sacrifices. We have done what we have had to do to respond to a declining economy and increasing competition, but we can do no more.

It is our opinion that there are countless other small market stations facing the same uncertain future as ours, and in large part, these stations have been brought to their present shaky situations because there are too many radio stations on the air.

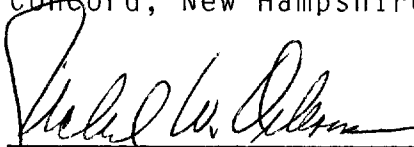
The National Association of Broadcasters' Petition for Rulemaking asks that the Commission undertake a prompt review of Section 307 (b) of the Federal Communications Act with regard to the maturity of the FM commercial service, and that if it is found that new allotment and licensing rules are therefore called for,

that several elements can be used in a new regulatory scheme, including: (1) greater reliance on enhancement of existing FM station facilities; (2) prompt deletion of "silent" station licenses and fallow FM channels; (3) requiring a market "economic viability" showing by applicants for new FM facilities; (4) consideration of "reception" as well as "transmission" services in any new allotment proceedings; and (5) adoption of new rules and policies that provide greater incentives for minority entry into FM radio broadcasting. We wholeheartedly support all of these suggestions, and we urge the Commission to act with dispatch to begin its rulemaking proceeding.

The highest public interest standard is in perpetuating a system of free broadcasting in which there is diversity and localism in programming to the American public from the largest to the small market sizes. We fear that if action is not taken now to preserve the system which has served our public for so many years so well and so uniquely, the traditions of diversity and localism may be placed in serious jeopardy.

Respectfully submitted,

Capitol Broadcasting Corporation, Inc.
37 Redington Road-P.O. Box 875
Concord, New Hampshire 03302-0875



Richard W. Osborne, President

April 13, 1992